

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1586

Washington, D. C.

June 2, 1956

Report to the Members

By WILLIAM U. HUDSON
1956 PRESIDENT OF N.C.A.

We have just completed the spring meeting of the Board of Directors and the Administrative Council. In conjunction with these were committee meetings on 1957 Convention Program, Legislation, Raw Products, Research, and Consumer and Trade Relations.

Details on the Board meetings were reported in the INFORMATION LETTER of May 23 but I had some reactions I want to transmit to you.

The reports given the Board by the Consumer Service, Labeling, Consumer and Trade Relations, and Statistics Division were excellently prepared and well received. But most important is the fact that all of this work, directly related to your own sales and marketing programs, is being aggressively and effectively pushed forward. I am sure each of you can benefit even more if you become more familiar with it. The staff director of each of the above Divisions is most anxious to serve you where they can if you will only let them know by a call or letter.

I feel that the members from Wisconsin expressed some thoughts that have been growing in the minds of many of our members. They raised three points and I would like to cover each of them briefly.

First, that the annual Convention program should be given careful study in light of changing conditions to pattern it closer to the today needs and desires of the members.

Action on this problem had been put in motion immediately after the Convention in Atlantic City by the appointment of a 1957 Convention Program Committee with Vice President Ed Brown as chairman. The names of the other members of this special committee were published in the February 25 issue of the INFORMATION LETTER.

Chairman Brown was able to make a detailed progress report at the Board meeting and the sentiment seemed to

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N.C.A. to Oppose Cranberry Marketing Order Bill

A bill, H.R. 8384, to include cranberries as a commodity subject to mandatory production and marketing control orders under the Agricultural Marketing Agreements Act has been set for public hearings on June 5 by a subcommittee of the House Committee on Agriculture.

According to the House Committee announcement, "The Agricultural Marketing Agreement Act of 1937 authorizes marketing agreements with respect to any agricultural commodity but there is no provision for the general enforcement of the requirements of such agreements in the absence of a marketing order, issued by the Secretary of Agriculture, and such orders are authorized for only a limited number of commodities.

"Cranberries for fresh shipment are eligible now for issuance of a marketing order but cranberries for processing are not. The proposed bill would include cranberries for processing in the list of commodities for

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Pure Food and Drug Laws Commemorative Stamp

A special 3-cent stamp commemorating the 50th anniversary of the Pure Food and Drug Laws will be placed on sale in Washington, D. C., on June 27. First-day covers will be available.

The central design of the stamp was reproduced from a photograph of Harvey W. Wiley. A dark panel at the bottom of the stamp features the wording "50th Anniversary Pure Food and Drug Laws."

The N.C.A. proposed such a stamp, more than a year ago, as a proper observance of this historic occasion. The Association, as did a number of individual member firms, wrote a letter requesting its authorization by the Postmaster General.

First-day sales of the stamp will be made in Washington June 27. There-

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U. S. Court Refuses to Rule Against Canner of 'Hot Goods'

A decision of interest to all canners was handed down on May 18 by the United States Court of Appeals for the 10th Circuit. In *Mitchell v. Hertzke*, the Court of Appeals refused to rule, for purposes of the Fair Labor Standards Act, that a food processor and canner was the "employer" of harvesting labor employed on farms which furnished the canner's raw materials.

In this case the farmer who produced the crops for the canner admittedly violated the child labor provisions of the Act. The government felt that the legal responsibility for the acknowledged violations could also be imposed on the canner who stood in the relation of contract purchaser to the grower on whose farm the violation took place. To achieve this result, it would be necessary to establish the relationship of employer and employee between the processor and the migratory labor employed by the farmer.

Fundamentally, the government rested its position on the assertion that a farmer who enters into an advance contract with a processor for the production of canning crops thereby abandons his role as an independent farmer and becomes a mere "working foreman" of the canner. Because the canner reserves certain quality control rights in his contract, procures the seed, and advances cash to the farmer when necessary to finance his harvesting costs, and joins with growers, other processors, and the state employment agency in assuring the presence in the area of sufficient migratory labor for the harvest, the government argued that the farmer is no longer to be considered as "engaged in an independent entrepreneurial venture." He becomes, it was urged, a mere factor in the processor's "integrated business." The harvesting workers employed on the grower's farm would be considered, therefore, not only employees of the farmer and of the crew chief or labor boss who recruited them, but of the purchasing canner as well. In advancing

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Forthcoming Meetings

- June 3-4—Michigan Canners and Freezers Association, Spring Meeting, Park Place Hotel, Traverse City
- June 10-14—National Association of Retail Grocers, 87th Annual Convention, Shrine Auditorium, Los Angeles
- June 10-14—Institute of Food Technologists, Annual Meeting, Sheraton-Jefferson Hotel, St. Louis
- June 15-20—Grocery Manufacturers of America, Inc., Midyear Meeting, White Sulphur Springs, W. Va.
- June 19-20—Maine Canners Association, Summer Meeting, Lakewood, near Shawhegan
- June 20-22—Processed Apples Institute, Annual Convention, White Sulphur Springs, W. Va.
- June 27-29—California Olive Association, Technical Conference, Casa Munras, Monterey
- July 19-20—National Kraut Packers Association, Annual Meeting, Catawba Cliffs Beach Club, Port Clinton, Ohio
- July 22-25—National Industrial Stores Association, Annual Convention and Merchandise Show, Hotel Netherlands Plaza, Cincinnati
- Aug. 13-15—International Apple Association, Inc., 62d Convention, Atlanta, Ga.
- Sept. 28-Oct. 2—American Meat Institute, Golden Anniversary Meeting, Palmer House, Chicago
- Oct. 7-10—National Association of Food Chains, Annual Convention, Chicago
- Oct. 17-19—National Pickle Packers Association, 69th Annual Meeting, Edgewater Beach Hotel, Chicago
- Oct. 24-27—Florida Canners Association, Silver Anniversary Convention, Hollywood Beach Hotel, Hollywood
- Nov. 1—Illinois Canners Association, Fall Meeting, Bismarck Hotel, Chicago
- Nov. 7-8—Wisconsin Canners Association, 52d Annual Convention, Schroeder Hotel, Milwaukee
- Nov. 8-9—Iowa-Nebraska Canners Association, Annual Meeting, Fort Des Moines Hotel, Des Moines
- Nov. 12-14—Grocery Manufacturers of America, Annual Convention, New York
- Nov. 14-16—Indiana Canners Association, Fall Convention, French Lick Sheraton Hotel, French Lick Springs
- Nov. 18-19—Pennsylvania Canners Association, 42d Annual Convention, Yorktowne Hotel, York
- Nov. 26-27—Ohio Canners Association, Annual Convention, Hotel Carter, Cleveland
- Nov. 29-30—Michigan Canners and Freezers Association, Fall Meeting, Pantlind Hotel, Grand Rapids
- Dec. 6-7—Tri-State Packers Association, Annual Convention, Haddon Hall, Atlantic City, N. J.
- Dec. 13-14—New York State Canners and Freezers Association, 71st Annual Convention, Hotel Statler, Buffalo
- Jan. 24-25—Canners League of California, 34th Annual Fruit and Vegetable Sample Cuttings, Fairmont Hotel, San Francisco
- Jan. 27-30—Northwest Canners and Freezers Association, Annual Convention, Multnomah Hotel, Portland, Ore.
- Feb. 13-20—NATIONAL CANNERS ASSOCIATION 50th Annual Convention, together with C.M.A.S.A. and N.F.B.A., Chicago
- March 17-20—National-American Wholesale Grocers Association, 51st Annual Convention, Hotel Sherman, Chicago
- March 25-26—Canners League of California, 53d Annual Meeting, Santa Barbara Biltmore, Santa Barbara

Grades for Canned Apricots

Notice is given in the *Federal Register* of May 26 that the Agricultural Marketing Service of USDA proposes to revise U. S. standards for grades of canned apricots.

The proposal would establish two new styles—"sliced" and "mixed pieces of irregular sizes and shapes." The style of "mixed pieces" would be limited to U. S. Grade B and lower grades. More detailed requirements than in the current standards are proposed for apricots processed as "solid pack" without added water or sirup.

Recommendations for drained weights cover two categories and all styles of canned apricots. One table of recommendations applies only to drained weights determined immediately after processing; the other applies to drained weights determined at other periods.

Other details of the proposal cover the quality evaluations for color, uniformity of size and symmetry, defects, and character of fruit.

Comments on the proposal should be submitted by December 31 to the Chief, Processed Products Standardization and Inspection Branch, Fruit and Vegetable Div., Agricultural Marketing Service, USDA, Washington 25, D. C.

Additional FDA Pesticide Tolerances

Since the issue of the INFORMATION LETTER of May 5, in which an up-to-date compilation of pesticide tolerance was published, the Food and Drug Administration has issued additional tolerances on fresh fruits and vegetables.

The following additions or corrections may be made on the master chart that was published in the INFORMATION LETTER of May 5, pages 195-198:

Pesticide	Tolerance in ppm	Fruits and Vegetables to which tolerance applies
Copper carbonate (post-harvest application)	3	Pears
Heptachlor	0.1	Carrots, radishes
Malathion	8	Grapefruit, kumquats, lemons, limes, oranges, tangelos, tangerines
Zincb	1	In or on wheat
	60	In or on hops

Marketing Order Bill

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which marketing orders may be issued."

In line with Association policy and pursuant to a discussion of this legislation by the Legislative Committee on May 19, the N.C.A. will oppose the bill at the hearings.

H.R. 8384 and a companion Senate bill, S.2933, would make cranberries for canning or freezing subject to mandatory federal production and marketing orders. Such orders could put every canner and freezer of cranberries under compulsory orders that could limit the size, grade, quantity of fruit he could receive from every grower in any state or area. By controlling raw material, such orders would control canning and freezing, and every grower, processor, and area could be held to some historical basis.

The broad authorizations of the federal law include the operation of surplus pools—both raw product and canned or frozen products; research and marketing programs; and advertising. There is no provision for canner or freezer participation in these programs nor can the processor vote on whether the proposals may be unwise, impractical, or destructive.

It is understood that the proponents of this legislation wish federal authority to enforce raw product grading of fruit used for processing. If this information is correct and the sole reason for seeking to put cranberries under the marketing orders act is to give growers a program of raw product grading and inspection, it can be pointed out that the facilities of the U. S. Department of Agriculture are available and no legislation is needed. USDA's Fruit and Vegetable Division has developed grade standards for fresh cranberries and is at work on grade standards for berries for processing. The Department has authority to assign federal inspectors to grade raw products according to federal standards, on a voluntary or cooperative basis.

Report to the Members

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be that they were moving in the right direction. I feel that their continued efforts will produce a result pleasing to the membership.

The second point was with regard to the functioning of the Board itself. There is considerable feeling generally that the Board should be given greater stature and responsibility in the management of the Association.

The organization structure is rather simple with the Executive Secretary being the chief administrative officer, the Administrative Council (made up of the Executive Committee and the Finance Committee) being an advisory body that makes recommendations to the officers and Board of Directors, and the Board itself. The Executive Committee acts only for the Board when it is not in session. The President is the chairman of the Board.

The actual work that the Association does is very largely by Division advisory committees and the staff Division heads.

With a Board of Directors of 70 people it is obvious that they cannot concern themselves with decision on details, and with the broad geographic distribution it is expensive and impractical to have more than two meetings a year except in emergencies.

However, I do feel that several things can be done to meet the problem.

We have started on a program of giving each Board member a detailed agenda as fully documented on each point to be considered as practical and have this in his hands a week or ten days in advance of a meeting.

We are also thinking that at a Board meeting the Directors should be seated in a section by themselves and that at least a part of the meeting should be an executive session where all outsiders and visitors are excluded. This should lead all to a more cohesive feeling and better discussion from the floor. We will continue to work on this and any other things that can be done to bring about the desired results.

As a result of a decision of the Board, a committee will be appointed to study the present activities and functions of the Association and report back to the body in February, 1957. I will take action on this promptly.

The last point raised was on the subject of a Director of Research. I ex-

plained to the Board that this matter was gone into thoroughly by the Scientific Research Committee in 1955. At that time they reviewed all of the work of the Laboratories, searched for duplicated efforts or lack of a coordinated program, and came to the conclusion that the budgeted money could be better spent on actual project work. I sat in on several of these meetings and felt that their studies were sound and their conclusions right. However, I have asked them to again dig into the matter and bring a recommendation to the Board. In appointing this committee for this year two non-technical persons were included (H. J. Barnes and John L. Baxter) to better consider such matters as finance and cooperation with other Divisions. They will prove helpful on this problem.

Ed Brown, your Vice President, and I have discussed these matters and we are in full agreement so you can look forward to a continuity of effort through 1957.

Mrs. Galliher Retires; 28 Years Service with N.C.A.

Mrs. Anna F. Galliher, Assistant Director of the N.C.A. Raw Products Research Bureau, retired on June 1, after having been with the Association nearly 28 years.

While most of her work for the Association was in the Raw Products Research Bureau, she also served as secretary to the Board of Directors, Administrative Council, and Nominating Committee for several years.

Mrs. Galliher joined the N.C.A. staff in 1928 and began her service under Dr. C. G. Woodbury, first Director of the Raw Products Bureau, who is also retired. When Dr. Woodbury served with the U. S. Department of Agriculture for a time during World War II, Mrs. Galliher was Acting Director of the Bureau.

Mrs. Galliher displayed marked ability for restating horticultural research findings in lay language, and proved of inestimable value to the Bureau in writing reports for the Committees, the membership, and for publication in the *INFORMATION LETTER*. It was she who abstracted scientific articles for the *Raw Products Research Notes*.

Her reporting ability was recognized by the Secretary's office and in 1946 she was given the added responsibility of custodian of minutes of Administrative Council and Board meetings. In that capacity she at-

tended and covered spring Board meetings and Conventions for the past 10 years, and became well and favorably known to a number of canners active in N.C.A. administrative matters for the accuracy and intelligence of her work.

S. R. Smith Honored by USDA

S. R. Smith, Director of the Fruit and Vegetable Division in the Agricultural Marketing Service, is one of seven USDA employees who will be presented the Department's distinguished service awards at ceremonies June 5.

Mr. Smith's award recognizes "his contribution to the nation's fruit and vegetable industry by developing, organizing and administering the Department's marketing service, regulatory and action programs to obtain maximum benefits."

USDA said that his leadership and vision resulted in a continuation of acreage and production guides for commercial growers after the war, and that these guides have helped greatly to keep vegetable production in line with market needs.

Mr. Smith has been with USDA since 1934, first as a research economist and progressively in administrative capacities in charge of price support, regulatory, and service programs for fruits, vegetables, and their products. He has been a speaker at N.C.A. Conventions.

Social Security Bill

The Senate Finance Committee has completed drafting its version of the House-passed social security bill, H.R. 7225, and has reported it to the Senate.

The Finance Committee eliminated from the House bill the provisions which would (1) reduce the retirement age for all women from 65 to 62, (2) provide benefits for the totally disabled at age 50, and (3) increase the payroll taxes on employers and employees by one-half of one percent.

The bill is scheduled to be brought up in the Senate next week. Senator Long (La.) has stated that he will attempt to restore the new benefits which the Finance Committee took out of the House bill.

The two principal provisions of H.R. 7225 would extend social security benefits to more than 200,000 additional persons and would lower the age of eligibility for benefits for widows to 62.

Good Faith Defense to Price Discrimination Charges

The House is scheduled to take up the question of good faith as a defense to charges of price discrimination on June 11. The subject will come before the House as a result of a Judiciary Committee report on the Rogers bill, H. R. 1840, and the requisite signing of a discharge petition by 218 members of the House on the Patman bill, H.R. 11.

The only difference between the Rogers and the Patman bills is that the latter carries a preamble declaring it to be Congressional policy to maintain competition where it exists and to restore it where it has vanished. The Rogers bill has no such preamble.

The key provision in both bills would limit the good faith defense to cases not involving a substantial lessening of competition or a tendency to create a monopoly.

A letter received on May 22 by the Judiciary Committee from Federal Trade Commissioner Sigurd Anderson, and concurred in by Commissioner Robert Secrest, stated:

"Recent developments have caused me to review my position with respect to H. R. 11. The decision of the Court of Appeals for the 7th Circuit in the *Standard Oil Co. of Indiana* case and the denial of certiorari in the *Balian Ice Cream Co. v. Arden Farms* case in the Court of Appeals for the 9th Circuit have changed the picture. Both of these cases, in my opinion, rather indicate that the matter of successful administration of Section 2 of the Clayton Act, as amended, has been made more difficult.

"Therefore, I withdraw my opposition to H.R. 11 and urge its support. I will appreciate your making this letter a part of your official record."

Since Commissioner William C. Kern was already on record in favor of H.R. 11, this puts the Commission line-up at 3-2, with FTC Chairman John Gwynne and Commissioner Lowell B. Mason still opposed.

There have been FTC switches in the past on the issue, as a result of changed membership, but this marks the first time that any commissioners have switched their individual viewpoints.

Under the chairmanship of James M. Mead, the Commission was in favor of legislation similar to H.R. 11, only to reverse itself under the chairmanship of Edward F. Howrey in favor of writing the good faith defense into law. With the endorsement of the Commission, Congress passed such a bill, but President Truman vetoed it.

In a statement issued before the Judiciary Committee action, Rep. Patman predicted passage for H.R. 11. "My belief is that a great majority of the House is overwhelmingly in sympathy with preserving the free enterprise system," Mr. Patman said. "The bill will simply make it illegal for any seller to indulge in discriminatory pricing practices which substantially lessen competition or tend to create a monopoly."

The good faith issue grew out of a five-year-old decision of the Supreme Court in the *Standard Oil Co. of Indiana* case. Standard had appealed a decision of the FTC holding the company in violation of the Robinson-Patman Act price discrimination provisions.

The Supreme Court ruled that a showing of good faith in meeting the equally low price of a competitor was a complete defense against price discrimination charges and remanded the case to FTC for a trial of the good faith defense. FTC later held that Standard of Indiana did not demonstrate good faith in its price differential. A few weeks ago, Standard won reversal of this holding by the 7th Circuit Court of Appeals.

In reporting the legislation favorably to the House, the Judiciary Committee issued the following explanation:

"The bill preserves good faith as an absolute defense where the effect of the discrimination may not substantially lessen competition but merely affects competition with a person who either grants or knowingly receives the benefit of such discrimination, or with customers of either the buyer or the seller. To the extent that the meeting competition proviso affords an absolute defense, it is circumscribed by the same conditions enunciated by the Supreme Court in the *Standard Oil* case.

"Under the bill the defense in section 2 (b) in cases of price discrimination is intended to be limited to a price reduction made in good faith to meet a lawful and equally low price of a competitor. The defense in these cases is restricted to price differentials which occur in actual competition. It does not include reductions which undercut the lower price of a competitor.

"Legality of a competitor's price is an essential element in determining the good faith of the person charged with unlawful price discrimination and consequently must be established by the respondent or the defendant. Such legality may be established by showing the existence of facts which would lead a reasonable and prudent person to believe that his competitor's price was lawful.

"The defense provided in section 2 (b) of the bill is intended to apply to defensive reductions made by a seller in individual competitive situations in order to retain an existing customer and not to situations where competition is injured, destroyed, or prevented by discriminations made by a seller in an offensive effort to penetrate new markets or to secure new customers.

"The meeting competition defense provided in section 2 (b) of the bill is available to rebut a prima facie case involving a discrimination in price or services or facilities furnished. A prima facie price discrimination case is made by showing the elements of a prohibited discrimination set forth in section 2 (a) of the Clayton Act as amended by the Robinson-Patman Act. These elements are: (1) Discrimination in price between different purchasers of commodities of like grade and quality; (2) jurisdictional facts as to commerce; (3) injury to competition where the effect of the discrimination may be (a) substantially to lessen competition, or to tend to create a monopoly, or (b) to injure, destroy, or prevent competition with any person who either grants or receives the benefit of such discrimination, or with customers of either of them.

"Upon proof that the effect of the discrimination may be substantially to lessen competition or to tend to create a monopoly the meeting competition defense of section 2 (b) is not available. Accordingly, where these effects are shown, evidence tending to establish the good faith of the seller in meeting a competitor's price is irrelevant.

"On the other hand, where the evidence shows that the effect of the discrimination may not substantially lessen competition or tend to create a monopoly but merely may be to injure, destroy, or prevent competition with any person who either grants or receives the benefit of such discrimination, or with customers of either of them, the seller charged with the discrimination may overcome the prima facie case and have a complete defense by evidence which establishes that his lower price was made in good faith to meet the lawful and equally low price of a competitor.

"The concepts of 'substantial lessening of competition' and 'tendency to create a monopoly' ordinarily involved more than a mere injury, destruction, or prevention of competition with an individual market trader. It is intended that the good-faith defense is to be applicable where the injury is only to an individual competitor, but is not of sufficient effect that it may result in injury to the vigor of competition. In appropriate cases, however, proof of injury only to an individual competitor would not preclude a finding that the effect of such injury may also be substantially to lessen competition or tend to create a monopoly."

Canned Foods in A-Test

George B. Morrill, Jr., 1955 President of the N.C.A. appeared June 2 on the weekly television program "Mobile," telecast from station WCSH-TV, Portland, and covering most of southern Maine. The program director is Professor Jonathan Karas of University of New Hampshire, and the program is one of the leading educational TV features, winner of numerous citations or certificates from the U. S. Air Force, State of Maine, Lions International, Kiwanis Club and others.

Mr. Morrill and Professor Karas, in the half-hour program, discussed the importance of canned foods, especially in the event of atomic attack, floods, or other catastrophes. Much of the text of the dialog was drawn from the Information Division's press release and presentations of the nuclear test of canned foods last year in Nevada, and among the props used were photos from the color-slide presentation, and a sample of canned tomato juice supplied by the N.C.A. Laboratories from the set of exposed samples. The television cameras showed the principals opening the can and drinking its contents. A typical Grandma's Pantry, such as was prepared by the Laboratories for exposure in the 1955 test, was shown also.

Canned Baby Food Stocks

Details of the canned baby food supply, stock and shipment situation are reported by the N.C.A. Division of Statistics as follows:

	1955	1956
	(thousands of dozens)	
Canner stocks, Jan. 1.....	74,083	77,017
Pack, Jan.-April.....	43,233	40,911
Supply.....	117,316	117,928
Canner stocks, May 1.....	66,032	60,900
Canner shipments during April	12,147	11,138
Canner shipments, Jan.-April.	31,284	37,028

Stocks of Canned Foods on May 1 and Season Shipments

Reports on canners' stocks of canned green and wax beans and canned beets have been issued by the N.C.A. Division of Statistics, and de-

U. S. Court Refuses to Rule

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this theory, the Labor Department apparently hoped to transfer to food processors throughout the country full responsibility for enforcement of the child labor provision.

The Court of Appeals rejected the government's contention and held that the canner was not an employer under the Act. The Court stated that the determination of an employer stems "from the relationships in this industry and from a consideration of the facts and circumstances under which pickers are employed." It noted that the canner "does not attempt any direction to the growers as to how the harvesting is to be done or who is to be hired to do it."

The Court acknowledged that the grower contract gave the canner "broad supervisory powers over the planting and harvesting" of the crops and added:

"But it also seems clear to us that such powers were limited to determining the time and conditions of the planting, the conditions under which the beans were to be raised, and the time when they were to be harvested. [The canner] was interested only as to the time when these beans should be harvested. It was no concern to it who or how many persons did the actual picking. Neither can we see where the contract gives it any power to direct the . . . [grower] to employ any particular person or any number of persons."

The novel and limitless employer-employee relationship theory urged by the Department of Labor in this case is without sanction in the common law, in prior administrative rulings or policies of the Department, or in any earlier court decision under the Fair Labor Standards Act. Had the government been successful, the canner would have become the "employer"

responsible not only for child labor violations, but presumably for social security taxes as well. In addition, numerous other federal and state laws imposing responsibility upon employers may well have affected the liability of all agricultural processors.

In its opinion, the Court also upheld the lower court's refusal to issue an injunction against the canner for violating the "hot goods" embargo even though it was admitted that the canner processed the raw products picked by child labor. The trial court's refusal to issue the injunction was based on the conclusion that it believed no future violations would occur. The Circuit Court cited the many steps taken by the canner to insure against any violations and held that the lower court did not abuse its discretion in denying the injunction.

Commemorative Stamp

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after, the stamps may be purchased in local post offices.

With regard to first day covers, the Post Office Department has stated:

"Stamp collectors desiring first-day cancellations of the 3-cent Pure Food and Drug Laws commemorative stamp may send a reasonable number of addressed envelopes to the Postmaster at Washington 13, D. C., with money order remittance to cover the cost of the stamps to be affixed. An enclosure of medium weight should be placed in each envelope and the flap either sealed or turned in. The outside envelope to the Postmaster should be endorsed 'First Day Covers.'"

Two of the companies which prepare quantity numbers of special envelopes for first-day covers have been listed by The Association of Food and Drug Officials of the United States. These firms are The Washington Press, 43 William St., Newark, N. J., and Artmaster Steel Engravings, 3605 Brownsboro Rd., Louisville 7, Ky.

The prices for preparing these special envelopes are listed by the AFDOUS as follows:

The Washington Press:

100	\$3.60
500	\$17.00
1,000	\$32.00
5,000	\$130.00 per thousand
10,000	\$26.75 per thousand
20,000	\$25.15 per thousand

Artmaster Steel Engravings:

50	\$2.00
100	\$3.25
500	\$15.00
Over 500	special quotations available

	Carry-over month	Total Supply		Canners' Stocks, Season Shipments to May 1			
		1954	1955	1955	1956	1955	1956
		(thousands of actual cases)					
Green and wax beans.....	July	31,507	28,572	7,312	6,836	24,195	21,735
Beets.....	July	9,942	9,689	2,703	2,737	7,239	6,953

* Includes pack from Jan. 1-July 1. † Includes shipments from Jan. 1-July 1 pack.

RSP Cherries for USDA

USDA has extended the time by which offers of canned red tart pitted cherries of the 1955 pack may be submitted for purchase (see INFORMATION LETTER of May 23, page 219).

Offers may be submitted until June 15, for acceptance by June 20.

1955 Exports of Canned Foods by Quantity and Value

Exports of canned foods in 1955 rose in both volume and value over 1954 exports, on the basis of a report by the Bureau of the Census, U. S. Department of Commerce.

The value of exports of canned fruits, vegetables, and fruit juices rose from about \$72 million in 1954 to about \$81 million in 1955, an increase of 12½ percent.

Canned fish products accounted for an additional \$20 million in 1955 exports, an increase of 66 percent over the \$12½ million exported in 1954.

In addition, exports of canned meats and meat products amounted to \$9 million, down slightly from the \$11 million exported in 1954. The value of canned meat exports was down for the third straight year.

VOLUME OF EXPORTS

The volume of exports of canned foods has trended upward over the past five years, as is shown in the following table:

	1951	1952	1953	1954	1955
(millions of pounds)					
Canned vegetables	109	137	151	160	178
Canned fruits	96	125	130	205	221
Fruit juices*	21	25	24	24	26
Baby foods	6	7	9	9	9
Canned fish	147	50	47	40	71
Canned shellfish	9	5	11	9	18
Canned meats	16	13	23	24	21

* Gallons.

The Bureau of the Census report lists exports by quantity and value for each classification of product and according to country of destination. Copies of the report, known as FT 410, Part I, 1955, are available from Commerce Department field offices.

The statistics do not include shipments to U. S. territories, which are not classified as exports.

On this page is a summary of 1955 exports for each of the classifications of canned fruits, canned vegetables, canned fruit juices, baby foods, canned fish and shellfish, and canned meat products, with comparisons.

	1954		1955	
	Quantity (pounds)	Value (dollars)	Quantity (pounds)	Value (dollars)
Canned vegetables:				
Asparagus	16,638,676	3,313,768	25,305,237	5,411,025
Baked beans, pork and beans	6,102,546	661,570	8,512,579	865,222
Corn	5,487,544	912,630	6,794,603	908,941
Peas	11,492,503	1,565,833	9,796,180	1,357,038
Scups	12,567,755	2,402,141	14,760,033	2,689,131
Tomatoes	4,197,293	427,513	10,043,291	1,036,016
Tomato paste and puree	23,898,441	4,569,294	12,667,775	2,304,384
Tomato sauce for cooking purposes	(a)	(a)	19,036,880	2,061,754
Tomato juice	34,880,908	3,186,509	39,340,855	3,008,087
Snap beans	1,982,911	375,728	3,795,927	411,039
Lima beans	247,074	43,286	185,890	30,455
Spinach	1,581,958	145,867	1,485,778	147,886
Vegetables and juices, n. e. c.	8,515,751	1,388,155	8,834,709	1,382,283
Pickles	5,962,023	726,484	7,955,996	830,428
Catsup, chili sauce, and other tomato sauces	26,749,266	3,349,672	9,238,379	1,520,487
Total canned vegetables	160,334,650	21,968,390	177,784,102	24,524,176
Canned fruits:				
Grapefruit	7,551,377	894,814	8,831,161	1,027,176
Berries	719,799	171,630	1,049,749	212,808
Apples and sauce	929,283	146,845	1,091,087	141,802
Apricots	12,689,715	1,800,862	8,701,990	1,284,513
Cherries	633,227	157,238	1,708,694	289,758
Prunes and plums	451,690	70,634	730,819	116,040
Peaches	34,586,621	6,766,086	49,502,805	7,112,428
Pears	9,312,125	1,560,465	30,076,003	5,001,317
Pineapple	73,900,508	11,435,476	61,147,172	9,520,683
Fruit cocktail	42,799,364	7,510,466	53,084,654	9,651,998
Fruits, n. e. c.	1,042,331	172,367	1,013,014	186,592
Jellies and jams	1,328,659	370,738	1,566,201	442,934
Total canned fruits	205,944,768	31,057,621	220,503,352	34,988,449
Fruit juices:				
Pineapple juice	2,341,843	1,586,000	2,614,930	1,509,590
Grapefruit juice, single-strength	5,322,313	2,340,278	5,148,159	2,457,362
Grapefruit juice, conc. (hot-pack)	88,132	207,082	57,424	134,097
Orange juice, single-strength	6,765,749	4,591,892	7,184,054	4,784,836
Orange juice, conc. (hot-pack)	755,220	1,093,136	977,733	2,750,900
Citrus juices, blended	3,249,597	1,897,236	3,111,290	1,863,425
Peach juice and nectar	994,332	1,089,951	1,056,001	1,159,554
Pear juice, nectar, and pearade	2,392,082	2,556,257	2,831,188	2,969,161
Fruit juices, n. e. c.	2,369,920	3,109,819	3,177,345	4,294,316
Total fruit juices	24,279,198	19,371,751	26,158,124	21,923,241
Baby foods:				
Meats	404,276	185,223	478,460	186,929
Vegetables	1,780,975	467,772	2,123,893	565,504
Fruits	6,628,553	1,712,246	6,709,874	1,782,181
Custards and puddings	110,223	29,874	133,633	36,153
Total baby foods	8,924,027	2,395,115	9,442,830	2,870,827
Canned fish:				
Salmon	7,226,653	3,714,859	10,428,523	6,599,482
Sardines in oil	816,015	216,916	1,178,986	245,549
Sardines, other	16,440,760	2,843,509	45,431,171	7,231,551
Herring	37,468	15,738	146,405	32,486
Tuna	281,800	202,733	338,767	197,599
Mackerel	1,487,628	296,848	1,548,168	243,851
Fish, n. e. c.	13,994,330	2,743,760	12,305,358	2,326,012
Total canned fish	40,284,654	10,004,372	71,377,378	16,876,530
Canned shellfish:				
Shrimp	1,973,410	1,660,972	2,831,598	2,456,360
Crabs	18,806	21,877	19,064	25,644
Oysters	240,676	188,998	106,264	99,014
Shellfish, n. e. c.	6,503,578	657,507	14,892,061	1,364,797
Total canned shellfish	8,736,470	2,529,354	17,758,987	3,945,815
Canned meats:				
Beef and veal	6,286,881	2,337,698	5,094,375	1,800,247
Ham and shoulders	932,424	800,511	1,190,469	841,571
Other pork	3,445,434	2,392,264	3,772,252	2,432,113
Sausage, prepared sausage meats, bologna, and frankfurters	6,413,493	2,892,688	5,491,902	2,312,675
Chicken	3,028,998	1,220,459	3,014,802	1,074,563
Meat and meat products, n. e. c.	4,115,788	1,322,092	2,647,952	751,632
Total canned meats	24,222,928	10,966,222	21,220,762	9,212,801

The initials "n.e.c." stand for "not elsewhere classified." (a) This classification was established January 1, 1955.

Competitive Position of U. S. Farm Products Abroad

USDA's Foreign Agricultural Service is making a detailed study of competition that U. S. farm products face in foreign markets. An interim report, *The Competitive Position of United States Farm Products Abroad*, has been published.

The report points out that although current exports of U. S. farm products are being maintained at levels of a year ago, and are higher than those of two years ago, the United States faces continuing competition from many world areas in its attempts to expand movement of these products abroad.

The U. S. produces most of the world's canned deciduous fruit. Production in this country and in Australia and South Africa, principal U. S. competitors, is increasing. The following table shows the production of canned fruits (except citrus) in foreign countries and in the U. S. in recent crop years:

	1934-38 ave.	1952	1953	1954
(millions of cases basis 24/2½)				
Foreign:				
Australia.....	3	6	5	7
South Africa..... (a)	2	2	2	3
Malaya (b).....	3	7	9	12
Other.....	5	8	8	9
Total.....	11	23	24	31
United States.....	42	73	77	79
World total.....	53	96	101	110

(a) Less than 500,000 cases. (b) Pineapple only.

England provided an important outlet for U. S. canned fruits prior to World War II. In 1938 the U. S. furnished one-half of the United Kingdom's total supply of canned fruit imports, but imports from the U. S. have been excluded by import restrictions until recently.

The following table shows the U. S. share of world production and trade in canned fruits (except citrus) and the percentage of U. S. sales that are exported (except pineapple):

	1934-38 ave.	1952	1953	1954
(percent)				
U. S. share of world production.....	78	76	76	72
U. S. share of world trade.....	44	22	18	23
Percent of U. S. sales exported:				
Europe.....	16.3	0.7	1.7	1.5
Canada.....	0.1	1.5	1.4	1.5
Other.....	0.8	1.3	1.1	1.2
Total.....	17.2	3.5	4.2	4.4

Canned Food Packs in Canada

The pack of canned fruits in Canada continued at a high level in 1955 and the pack of canned vegetables increased markedly, according to statistics published in London by *Fruit Intelligence*.

The pack of canned vegetables last year was exceeded only in 1952. The report states that acreage of canning crops was increased from 174,000 acres in 1954 to 199,000 acres in 1955.

The following table shows the production of canned foods in Canada in 1955, with comparisons:

	1953 (tons)	1954 (tons)	1955* (tons)
Canned Fruit:			
Apples.....	5,482	8,177	5,685
Applesauce.....	3,801	5,640	4,593
Pears, Bartlett.....	4,282	5,896	5,781
Pears, Kieffer, etc.....	6,015	8,069	8,931
Plums.....	3,519	3,773	7,187
Cherries.....	2,731	3,950	4,775
Peaches.....	17,500	23,366	23,454
Apricots.....	2,132	3,203	3,761
Strawberries.....	1,367	2,180	1,703
Blueberries.....	304	955	656
Raspberries.....	1,922	2,007	1,290
Blackberries.....	113	128	83
Loganberries.....	317	88	164
Rhubarb.....	92	102	168
Fruit salad.....	2,855	3,658	3,607
Other kinds.....	2,115	2,533	2,090
Total.....	54,547	73,665	73,608

Canned Vegetables:			
Tomatoes.....	38,968	19,433	38,375
Beans, baked.....	37,637	42,797	36,750
Beans, green and lima.....	24,267	22,472	20,729
Peas.....	43,851	44,689	59,847
Corn.....	26,778	29,129	40,275
Others.....	23,360	21,811	21,641
Total.....	194,881	180,331	217,617

Vegetable products:			
Tomato paste, pulp and puree.....	2,710	4,083	3,905
Tomato juice.....	47,178	42,613	62,103
Tomato ketchup.....	11,336	14,296	10,591
Sauerkraut.....	4,446	3,416	3,162
Soups.....	86,079	98,821	102,847

* Provisional. Excluding apple and other pie filling. Source: *Fruit Intelligence*, April, 1956, The Commonwealth Economic Committee, London.

Canned Ham under P. L. 480

The USDA has issued a purchase authorization to Spain to finance the purchase of up to \$1 million worth of canned hams from U. S. suppliers under Title I of P. L. 480. The authorization, No. 17-14, provides for purchase by Spain of approximately 1,640,000 pounds of canned hams.

Information with respect to the purchase may be obtained from the Spanish Embassy, Commercial Office, 2558 Massachusetts Ave., N. W., Washington, D. C.; and from the Foreign Trade Programs Division, Foreign Agricultural Service, USDA, Washington 25, D. C., Republic 7-4142, extension 5433 or 6211.

Pure Food Law Anniversary

The golden anniversary of the Food and Drugs Act of 1906 will be celebrated by means of an NBC public service network broadcast, 9:30-10 p.m. EDT, Monday, June 4.

During the course of the broadcast there will be quotations from the speech of the late Dr. Harvey W. Wiley, credited with being the author of the Pure Food Law, before the Western Packers Canned Goods Association in Atlantic City in 1906: "When my speech was over, those canners gave me an ovation . . . and from that time the whole influence of those business men was thrown in favor of the proposed legislation."

As was pointed out in the special N.C.A. observance of the Food and Drug anniversary, the National Canners Association was established in 1907, its first guest speaker was Dr. Wiley, and its first official action, as recorded in the historic minute books, was a motion favoring appropriations to effectuate the new law.

Nuclear Slides Shown

The color slide presentation of the nuclear tests of canned foods, prepared by the N.C.A. Laboratories and the Information Division, was shown recently to audiences in Bowling Green, Ohio. On May 7 it was viewed by about 125 of the H. J. Heinz Company factory personnel; on May 10, it was shown to about 80 members of the Bowling Green Kiwanis Club.

As reported by E. E. Richard, manager of the Heinz Bowling Green factory, who arranged for the showings:

"Several nice comments were made about the pictures and the commentary and many people were much surprised as to the stability and durability of foods processed both in tin and glass under these extreme conditions. We think the slides tell a very comforting story and can do much to control hysteria during such a period."

Three recent showings of the nuclear tests slides also were arranged by B. D. Becker of the Syracuse, N. Y., district of Continental Can Company, Inc. These showings were as follows:

April 25—The Food Preservation Club and guests at the Agricultural and Technical Institute, Morrisville, N. Y. Audience, approximately 90.

May 10—The Citizens' Club, Marcellus, N. Y., approximately 55.

May 17—Cornell University, Ithaca, N. Y. Approximately 40 food technology and home economics students.

Status of Legislation

Alaskan fisheries—H. R. 8405, to transfer supervision of Alaskan fish and game from the Interior Department to the Territorial Government, is pending before the House Interior Committee. No action scheduled.

Anti-merger legislation—A bill, H. R. 9424, which would require prenotification of certain mergers and permit preliminary injunctions to restrain mergers, was passed by the House April 16 and is the subject of public hearings by the Senate Judiciary Subcommittee on Antitrust and Monopoly.

Customs simplification—The Senate Finance Committee is expected to act on House-passed H. R. 6040 after it completes work on social security legislation. Bill would revise the method by which the value of imported merchandise is determined for customs evaluation.

Farm labor housing—H. R. 9600, to provide for amortization deductions with respect to housing facilities for agricultural workers, is pending before the House Ways and Means Committee.

Farm workers transportation—S. 3391, providing for ICC regulation of interstate transportation of migrant agricultural workers, was passed by the Senate May 1 and was the subject of hearings by House Interstate and Foreign Commerce Committee May 18.

FDA chemical additives—Hearings on bills to regulate the use of chemical additives in food were concluded Feb. 14, but House Committee has not considered subject in executive session.

FDA codification—H. R. 6991, to revise, codify, and enact into law Title 21 of the U. S. Code entitled "Food, Drugs, and Cosmetics," was passed by the House and is pending before the Senate Judiciary Subcommittee on Revision and Codification.

FDA imitation food—H. R. 3692, to prohibit the interstate marketing of any "imitation" of a standardized food product, even though the imitation product is plainly labeled as such, is pending before the House Interstate Commerce Committee.

Fisheries Commission—S. 3275, to create a five-man semi-independent United States Fisheries Commission for formulation of federal fisheries policy, was reported by Senate Interstate and Foreign Commerce Committee on May 17. Companion bills are the subject of hearings begun by the House Subcommittee on Fish and Wildlife Conservation May 21.

Fisheries education—S. 2379, authorizing federal funds for scientific and vocational fisheries education, was reported by the Senate Interstate and Foreign Commerce Committee, with

an amendment, May 17, and was passed by the Senate on May 21.

Import quotas—H. R. 8954 and other bills to establish an import quota mechanism are pending before the House Ways and Means Committee.

Marketing orders—cranberries—S. 2933 and H. R. 8384, to bring cranberries for canning under the orders provisions of the Agricultural Marketing Agreements will be the subject of public hearings by a House Agriculture Subcommittee beginning June 5 (see story, page 221).

Marketing orders—potatoes—H. R. 9484 and S. 3262, to establish a national marketing control including potatoes for canning, were introduced Feb. 22. No action scheduled.

Negotiated procurement—House-passed H. R. 8710 is pending before the Senate Armed Services Committee. No action scheduled.

OTC—H. R. 5550, authorizing U. S. participation in OTC, was reported by House Ways and Means Committee, with amendments, April 18.

Poultry inspection—Bills providing for mandatory inspection of poultry and poultry products by the FDA were the subject of public hearings by a Senate Labor Subcommittee May 10 and are pending before the full Committee.

Price supports—Legislation providing for mandatory price support on the six basic crops at 90 percent of parity was vetoed by the President. New farm bill, which leaves flexible price supports in existing law while inaugurating the soil bank plan, was cleared by Congress and signed by the President and is P. L. 540.

Robinson-Putman Act—Legislation providing for a good faith defense has been reported by the House Judiciary Committee and approved by the Rules Committee. The legislation also has been cleared for floor debate by reason of discharge petition having been signed by the requisite number of House members.

Statehood—H. R. 2535, to provide statehood for Alaska and Hawaii, was recommitted to the House Interior and Insular Affairs Committee.

Sugar Act—A conference report on H. R. 7030 was adopted by the House and Senate and signed by the President (P. L. 545).

Trip-leasing—S. 898, to limit the authority of the ICC to regulate the duration of trip leases for carriers of perishable agricultural and fishery products, was passed by the Senate March 28 and was the subject of public hearings by the House Interstate Transportation Subcommittee May 16-17 and 21.

Wage-hour coverage—Senate Labor Subcommittee held public hearings May 8-18 on all measures to extend coverage under the Fair Labor Standards Act. Subcommittee chairman transferred from the Labor Committee; no further action scheduled.

Waste disposal—The House Ways and Means Committee has taken no action on a number of bills to allow the rapid amortization of waste disposal facilities and treatment works.

Water pollution—S. 890, to amend and extend the Water Pollution Control Act, was passed by the Senate June 17, 1955. H. R. 9540, a new bill, was approved by the House Public Works Committee.

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